

Quarterly Listing of Audit Requests for GOC Consideration

First Quarter 2015						
#	Topic Area	Possible Areas of Focus	Rough \$ estimate	Covered by other topic?	Past or current efforts in this area?	Additional Information
1	Northern New England Passenger Rail Authority	<p>Cost effective and efficient use of resources</p> <p>Processes and procedures for procurement, contracting and oversight of contractors</p> <p>Effectiveness of oversight and governance</p> <p>Effectiveness of management in meeting NNEPRA's statutory purpose including long and short range planning</p>	<p>NNEPRA receives Federal and State operating support funds from MDOT.</p> <p>\$2 million in State Other Special Revenue funds were budgeted in each year of the 2014-2015 Biennium to match \$8 million in federal funds.</p>	No	No	<p>NNEPRA was created in 1995 by the Legislature (5 MRSA §12204-F) to promote passenger rail service in Maine and points within and outside the state (23 MRSA Ch.621).</p> <p>The Authority contracts with Amtrak to operate the Downeaster providing passenger rail service from Brunswick to Boston. Amtrak began providing passenger rail service from Portland to Boston in 2001 and expanded to Brunswick in 2012.</p> <p>NNEPRA is required to submit an annual report to the Legislature and meet other reporting requirements of quasi-state agencies. Performance, audit and ridership reports are available on the Authority's website, www.nnepra.com.</p> <p>A seven-member board of directors oversees NNEPRA. The Governor appoints five members subject to legislative confirmation. There are two ex officio directors, the Commissioners of Transportation and Economic and Community Development. The board's powers include hiring employees. NNEPRA's website lists a staff of six including the Executive Director.</p> <p>Concerns have been raised regarding management of the rail service and treatment of individual board members.</p> <p>NNEPRA's plans to locate large maintenance facility in Brunswick next to a residential area have been controversial. Some of the objections raised concern the site selection process, idling trains and the need for an end of the line facility if long-range plans include expanding the passenger rail service beyond Brunswick.</p> <p>Last year a number of service delays and cancelled trains occurred due to track maintenance and railroad tie replacement work. This affected the Downeaster's overall performance.</p> <p>NNEPRA is required by statute to submit its annual operating budget to the Commissioner of Transportation for approval. MDOT's Work Plan for 2015-2016-2017 calls for \$34.7 million in operating support for NNEPRA.</p>

Quarterly Listing of Audit Requests for GOC Consideration

						<p>NNEPRA's statute requires that fares for passenger rail be set at reasonable levels to encourage use of the service. The Authority is directed to seek and use funds necessary to pay all operational expenses of the passenger rail service not covered by fares and other funds or revenues.</p> <p>The Authority can apply for, accept and disburse Federal funds and funds from other government agencies. It may also provide funds to government agencies in support of passenger rail service.</p> <p>Statute directs the Authority to "obtain all additional funds, through borrowing, revenues or other means, necessary to satisfy operating deficits arising from expenses, including capital expenditures, necessary to ensure the continuation of passenger rail service..."</p> <p>According to NNEPRA's 2014 independent audit, NNEPRA contracts with the Railroad (Boston and Maine Corporation, Portland Terminal Company, Springfield Terminal Company and Pan Am Railway) for capital maintenance.</p> <p>Amtrak pays the host railroads for use of the rail and has an agreement with the Railroad for general maintenance. NNEPRA reimburses the portion of the agreement billed by the Railroad to Amtrak as part of its funding agreement with Amtrak.</p>
--	--	--	--	--	--	--